REMARKS

The Office Action dated May 9, 2003 has been given careful consideration by the applicants. The Examiner's recognition of allowable subject matter in claims 3 and 6-15 is acknowledged and appreciated. Nonetheless, reconsideration of the application is hereby respectfully requested. Claims 1-16 remain in the application

The Examiner's Action

The Examiner rejected claims 1, 2, 4-5 and 16 under 35 U.S.C. §103(a) as being unpatentable over applicants admitted prior art in view of U.S. Patent No. 5,548,262 to Kugai et al.

The Rejected Claims are Distinguishable Over the Cited Patent

The Examiner rejected claims 1, 2, 4-5 and 16 as being unpatentable over applicants admitted prior art in view of Kugai et al. However, as will be apparent from the discussion below, these claims are not rendered obvious by the suggested combination.

More particularly, the Examiner argues that the applicants admitted prior art discloses an apparatus for determining magnetic susceptibility, a superconducting quantum interference device, and a superconducting flux transformer. The Examiner further indicates that the applicants admitted prior art fails to specify high temperature superconductivity in an environment of operation. It is the Examiner's position, however, that Kugai shows this feature.

However, even if the Examiner is properly characterizing the applicants description of background, and even if the suggested combination could be realized, the suggested combination falls short of the claimed invention. In this regard, the suggested combination does not include a *flexible* superconducting flux transformer. The cited Kugai patent shows a thin film flux transformer. This patent, though, does not show a flexible flux transformer.

Independent claims 1 and 16 both recite the use of a *flexible* superconducting flux transformer in combination with other features of the present claimed invention. This is neither shown nor suggested by the art cited, either individually or in combination. It is the inclusion of a flexible material into the claimed method and apparatus that allows the present invention to be realized and implemented in a viable manner. For example, the specification (at page 13, lines 3-16 and page 18, lines 1-24) discusses the advantage of using a flexible flux transformer, not heretofore used. As such, claims 1, 2, 4-5 and 16 are not rendered obvious by the suggested combination.

CONCLUSION

In view of the foregoing, the applicants respectfully submit that the remaining claims are now in condition for allowance. As such, all claims are now in condition for allowance. Early notification of such allowance is hereby respectfully requested.

Respectfully submitted,

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Novembr 6, 2003

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